

FISCAL NOTE

SB 2618 - HB 2634

March 4, 2002

SUMMARY OF BILL: Restricts the issuance of certificates of need for new nursing home beds or swing beds from July 1, 2002, to June 30, 2004. *New nursing home beds* would mean any beds that increase the number of licensed beds of any currently licensed nursing home or any beds built at a nursing home not currently licensed. Beds that replace existing beds in a licensed nursing home would not be considered as new beds as long as the replacement of existing beds does not increase the number of licensed beds in the facility. Does not prohibit the replacement of an existing nursing home as long as the replacement facility retains the same number or fewer licensed beds and is located in the same county as the existing nursing home.

ESTIMATED FISCAL IMPACT:

State Expenditures - Cost Avoidance - \$312,000

Forgo State Revenues - \$278,125

Other Fiscal Impact - Cost Avoidance - Federal Expenditures - \$554,800

Estimate assumes:

- Current law allows 125 new skilled level nursing home beds per year. This bill places a moratorium on all new beds except replacement beds.
- Fifteen percent of the 125 currently allowed would be Medicaid funded and the remainder would be Medicare. The average cost of a skilled level bed is approximately \$125 per day or \$45,625 annually.
- Forgone revenues from the nursing home bed tax (\$2,225 per bed) for 125 beds.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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